

**NATIONAL INSTITUTES OF HEALTH**  
Deputy Ethics Counselors/Ethics Coordinators' Meeting  
Minutes – March 17, 2005

**Regulation update**

Discussion centered around the 3/15/05 email from the NIH Deputy Director which specified certain types of positions that are not covered by the prohibited holding rule (IRTAs, CRTAs, Visiting Fellows). It also announced a deadline extension for filing the supplemental financial disclosure report and divestiture period.

**List of Substantially Affected Organizations (SAO)**

A preliminary list of North American Industry Classification System (NAICS) codes are currently being examined by several members of the NIH Senior Staff. This list of codes will be finalized and given to Dunn & Bradstreet to help generate a list of SAOs. This list will as inclusive as possible, but as FDA's Yellow Book, may not contain every possible affected organization and will be meant as a guide only.

DECs were encouraged to tell employees that the definition of SAO is in the regulation. It's usually easy to tell for most companies if they're an SAO or not.

**Action:** NIH Ethics Office (NEO) to look into creating a smaller list of affected sector funds.

There were suggestions made to focus on the prohibited holding process and to be careful of academic institution spin-offs created to license inventions, in order to keep non-profit status. These start-ups can possibly be SAOs.

**Financial Disclosure**

The NEO is working on an NIH-wide policy for who must file a 450.

The Department is still working on a prohibited holding reporting form. Once released, we can encourage employees to file it early, especially the employees with negative reports.

The 450/278 reporting schedules will remain the same.

Discussion centered on the divestiture process, having proof of compliance with divestiture, and whether the future ethics enterprise system will incorporate the form.

**Action:** NEO to verify whether prohibited holding reports can be tracked in EMIS.

**Action:** The NEO will schedule presentation of NEES system at a future DEC/EC meeting.

**Action:** OGC will develop a sample showing what divestiture packages should look like.

Requirements vary depending on how holdings are held. The Department is working with the OGE on this. Ethics staff can use old forms and work with employees now if desired.

The regulation allows for situations related to those going through divorce, separation, etc.

**Action:** NEO to see if guidance exists.

**Action:** NEO to determine action timelines for divestiture.

Any employee claiming a hardship must still report. Employees can send questions to IC ethics office or NEO.

**Action:** NEO will re-define NEAC activities versus what ICs can approve.

**Action:** Suggestion for the NEO to provide a generic outline or guidance on what will be provided to employees. Example – spouse issues with employment benefits.

### **Spreadsheet reports on current 520s**

ICs should include their Top 5 their report. It is OK to include those activities that had stopped recently.

### **Outside Awards**

**Action:** NEO to specify what is kept in NEO files for the Top 5 when analysis determines that the award form isn't needed.

### **NIH Director's meeting with scientists on 3/15/05**

Discussion centered around a perceived concern over communication with the extramural community. Some comments were made by those in attendance about converting outside activities to official duty activities. DEC/ECs were cautioned to exercise care if any outside activities were to later become official duty and to remember 502 authorizations or 208 waivers may be required.

### **Ethics Implementation Committee**

The group's charge was discussed. It is a cross-discipline, diverse group of employees that will represent their constituents and serve as spokespersons for their communities. They will express concerns, look at procedures, and comment on them.

### **Next Meeting**

Mar 24<sup>th</sup> 9:00 31/conference room #6

There are problems getting space for future meetings.